BUDGET RESOLUTION/Tax Increase (Tax Expenditures)

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1996-2002 . . . S. Con. Res. 13. Domenici motion to table the Exon (for Wellstone) amendment No. 1136.

ACTION: MOTION TO TABLE AGREED TO, 84-15

SYNOPSIS: As reported, S. Con. Res. 13, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Savings that will accrue from lower debt service payments (an estimated \$170 billion) will be dedicated to a reserve fund, which may be used for tax reductions after enactment of laws to ensure a balanced budget. Highlights include the following: the rate of growth in Medicare will be slowed to 7.1 percent; Medicaid's rate of growth will be slowed to 5 percent and it will be transformed into a block grant program; the Commerce Department and more than 100 other Federal programs, agencies, and commissions will be eliminated; welfare and housing programs will be reformed; agriculture, energy, and transportation subsidies will be cut; foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

The Exon (for Wellstone) amendment would instruct the Finance Committee to report changes to laws under its jurisdiction to increase revenues by \$70 billion (\$10 billion in fiscal year 1996; \$50 billion through fiscal year 2000, and \$70 billion through fiscal year 2002). Further, it would express the sense of the Senate that the Finance Committee, in meeting its reconciliation instructions on revenue, should eliminate excessive and unnecessary tax expenditures.

The amendment was offered after all debate time had expired. However, some statements on amendments were added to the record or were made before the amendments were offered and before debate time had expired. Also, by unanimous consent, 1 minute of time was allowed on each amendment for explanatory statements before each vote. Senator Domenici moved to table the Wellstone amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

(See other side)

YEAS (84)				NAYS (15)		NOT VOTING (1)	
		Der	nocrats	Republicans	Democrats	Republicans	Democrats
		(30 or 67%)		(0 or 0%)	(15 or 33%)	(0)	(1)
Abraham Ashcroft Bennett Bond Brown Burns Campbell Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch Hatfield Helms	Hutchison Inhofe Jeffords Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Packwood Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner	Akaka Baucus Biden Bingaman Bradley Breaux Bumpers Byrd Daschle Exon Ford Glenn Graham Heflin Inouye	Johnston Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Moseley-Braun Murray Nunn Pryor Robb Rockefeller Sarbanes		Boxer Bryan Conrad Dodd Dorgan Feingold Feinstein Harkin Hollings Kennedy Moynihan Pell Reid Simon Wellstone	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent inced Yea inced Nay Yea

VOTE NO. 228 MAY 25, 1995

The Wellstone amendment proposes a \$70 billion tax increase. We oppose such a huge tax increase, and thus oppose the Wellstone amendment.

Those opposing the motion to table contended:

The budget deficit should be reduced in a way that is fair, responsible, and that involves shared sacrifice. As currently drafted, though, special interests that have managed to get tax breaks passed that benefit them are about to get a free ride. Over the years, Gucci lobbyists have managed to get little noticed items written into the tax code that benefit specific industries and sometimes just specific individuals. These exceptions from the normal rules result in less revenue being collected, which in turn leads to higher tax rates on everyone else to make up for the losses. Public interest groups of all ideologies, ranging from the National Taxpayers Union to the Cato Institute to the Progressive Policy Institute to Citizens for Tax Justice, have called for reform in this area. The Wellstone amendment answers this call by demanding the elimination of \$70 billion worth of special interest tax breaks. We are delighted to support this amendment.